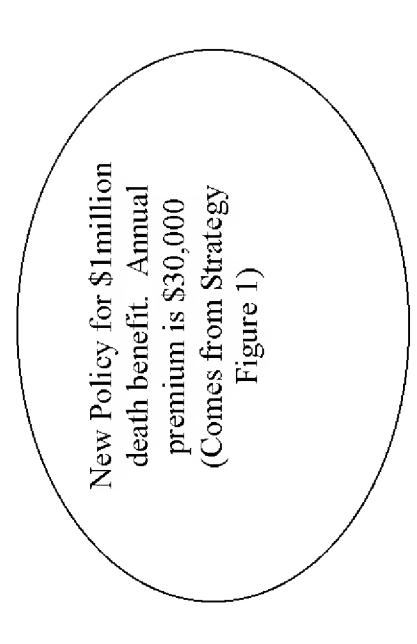


Figure 2

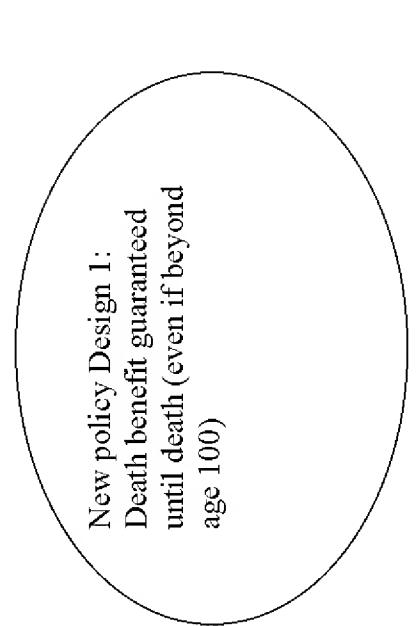


Premium Option 3 New Policy for \$1.5 million death benefit, Annual premium is \$50,000

Premium Option 1: \$50,000 annual premium for 5 years \$1 Million Death Benefit

Premium Option 2: \$200,000 one time payment, \$1 Million Death Benefit

Figure 3



New policy Design 2:
Variable premium – LIBOR
indexed, inflation indexed,
decreasing premium, etc.

New policy Design 3:
Additional policy benefits—
Cancer diagnosis benefit,
Disability benefits, age
extension rider, etc.

"New" Insurance Company Assigned contract, death benefit, and cash values New Policy with \$700,000 Death Benefit and no Premiums Old Policy with \$1 million Death Benefit

Figure 4